

Bill would require returned TARP funds be applied to debt reduction

WASHINGTON - U.S. Rep. Harry Mitchell today cosponsored a bill to require revenue from the sale of TARP related assets to be directly paid toward the national debt. The Repaying the American Taxpayer Act of 2009, H.R. 3020, also calls for a simultaneous reduction in the debt ceiling for every dollar of TARP money returning to Treasury.

"Taxpayers were asked to save our economic financial system from imminent collapse," Mitchell said. "This bill will implement more oversight, accountability and transparency, which the TARP funds have lacked, and it will ensure the revenues are put to fiscally responsible use like paying down the national debt."

Last year, Congress passed the Troubled Asset Relief Program (TARP), which provided \$700 billion, to purchase assets and equity from financial institutions that were on the verge of collapse. Roughly \$400 billion of those funds were invested in various programs [Source: [Wall Street Journal](#), November 18, 2009]. Many of the financial institutions have begun to pay the funds back with interest.

In January, Mitchell voted for H. J. Res. 3 to block the release of \$350 billion of the \$700 billion citing concerns about accountability and transparency. The measure passed the House [[Roll Call Vote No. 27](#)], but did not pass the Senate. As a result the Treasury Department was given access to the entire \$700 billion.

So far, more than \$72 billion has been paid back and \$50 million more is expected. H.R. 3020 would require the Treasury to apply the repayments to the national debt along with instituting a reduction in the debt ceiling. Dividend payments from preferred stock the government owns in public companies be treated under the same rules.

The bill would also require the Special Inspector General for TARP to include in its Quarterly Report to Congress, a section outlining confirmation of these transactions and subsequent lowering of the debt ceiling.

Mitchell has fought to bring accountability and transparency to TARP funds. Earlier this year, Mitchell voted for H.R. 384, which would put limits on compensation for executives receiving federal assistance funds from the Treasury Department, establish benchmarks that TARP recipients must achieve to strengthen the financial system, and require beneficiaries to provide quarterly reports of how each dollar is being used. H.R. 384 passed the House of Representatives and is still pending before the U.S. Senate.